property of the Philippines is close to two billion pesos (one billion dollars), the national debt could mount to 200,000,000 pesos ($100,000,000). In exact figures, as of the date when the Government of the Philippine Commonwealth was inaugurated, the public debt of the Philippines including not only bonds of the Central Government proper but provincial, municipal, and other government entity bonds, amounts to 154,364,700 pesos ($77,i82,35o).[4]

The Philippine Government is legally meeting both interest and the required amortization of its bonds. Sinking funds have been created which are entirely adequate for the retirement of the bonds. Deducting the sinking-fund reserve of approximately 61,000,000 pesos ($30,500,000) from the total bonded indebtedness, the net bonded liability is 92,000,-ooo pesos ($46,000,000). As recently the Philippine Government was credited with a profit of 47,000,000 pesos ($23,-500,000) on its deposit in the United States Treasury, and will receive other large sums in the refund of processing taxes, the net obligation of the Philippine Commonwealth, as I have previously stated, should not exceed at the most 45,000,000 pesos ($22,500,000). As a final precautionary measure to guard against default in the payment of the bonded debt, the United States High Commissioner is empowered to seize the customs service and apply the revenue to any overdue indebtedness.

The national debt of the Philippines is very low when compared with the debts of other nations. It has been estimated that the per capita indebtedness of the

Philippines is **ii** pesos and 60 centavos ($5.80), but it should not be over 7 pesos ($3.50) when all proper deductions from the public debt have been made.

Philippine bonds have invariably been sold advantageously at good figures in the American market. The financial position of the Philippine Government was further strengthened

[4] **Figures furnished by Insular Treasurer Salvador Lagdarneo.**